DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Office of the Assistant Secretary for Housing—Federal Housing Commissioner

24 CFR Part 235

[Docket No. R-85-1094; FR-1590]

Second Mortgages or Liens on Properties With FHA-Insured Mortgages; Escrow Accounts Associated With Interest Buy-downs; Correction

AGENCY: Office of the Assistant Secretary for Housing—Federal Housing Commissioner.

ACTION: Final rule; Correction.

SUMMARY: This document corrects a section number (§ 235.32) that inadvertently duplicated the same number that was used in a final rule published earlier.

The Department published a final rule on May 21, 1984 (49 FR 21317) entitled "Single Family Mortgage Insurance Programs" in which it added a new 24 CFR 235.32. *See* 49 FR 21320. On May 21, 1985, the Department published another rule at 50 FR 20903, "Second Mortgages or Liens on Properties with FHA-Insured Mortgages; Escrow Accounts Associated with Interest Buy-downs", in which it inadvertently added another, but textually different, 24 CFR 235.32. *See* 50 FR 20908. This latter rule had the unintended effect of revising the May 21, 1984 rule. This document, therefore, corrects that mistake by changing the section number of the May 21, 1985 rule (50 FR 20903, 20908) from § 235.32 to § 235.33.

FOR FURTHER INFORMATION CONTACT: Grady J. Norris, Assistant General Counsel, Office of General Counsel, Department of Housing and Urban Development, Room 10276; 451 Seventh Street SW., Washington, D.C. 20410. Telephone number (202) 755-7055. (This is not a toll-free number).

Accordingly, the following correction is made in FR Doc. No. 85-12182 appearing on page 20908 in the **Federal Register** issue of May 21, 1985:

On page 20908 in the first column, "§ 235.32 Mortgage lien" is corrected to read "§ 235.33 Mortgage lien".

Authority: Secs. 211, 235, National Housing Act (12 U.S.C. 1715b, 17152z; Sec. 7(d), Department of Housing and Urban Development Act (42 U.S.C. 3535(d)).

Dated: June 24, 1985.

Grady J. Norris,

Assistant General Counsel for Regulations.

[FR Doc. 85-15530 Filed 6-27-85; 8:45 am]

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DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[T.D. 8031]

Income Tax; Taxable Years Beginning After December 31, 1953; Investment Tax Credit for Qualified Rehabilitated Buildings

AGENCY: Internal Revenue Service, Treasury.

ACTION: Final regulations.

SUMMARY: This document contains final Income Tax Regulations relating to the investment tax credit for qualified rehabilitated buildings. It reflects changes relating to the rehabilitation credit that were made to sections 38, 46, 47 and 48 of the Internal Revenue Code of 1954 by the Revenue Act of 1978 and the Technical Corrections Act of 1979, but does not reflect changes made to those sections by the Economic Recovery Tax Act of 1981. Given the fact that the Economic Recovery Tax Act of 1981 substantially amended the provisions pertaining to the rehabilitation credit, these regulations are generally not effective for expenditures incurred after December 31, 1981. A notice of proposed rulemaking published this day in the **Federal Register**, however, contains proposed regulations relating to these expenditures.

DATES: Effective June 28, 1985. The amendments are generally applicable with respect to qualified rehabilitation expenditures incurred after October 31, 1978, and before January 1, 1982.

FOR FURTHER INFORMATION CONTACT: John G. Schmalz of the Legislation and Regulations Division, Office of Chief Counsel, Internal Revenue Service, 1111 Constitution Avenue, NW., Washington, D.C. 20224. Attention CC:LR:T. (202-566-3516, not a tollfree call).

SUPPLEMENTARY INFORMATION:

Background

On October 28, 1980, the **Federal Register** published proposed amendments to the Income Tax Regulations (26 CFR Part 1) under sections 46 and 48 of the Internal Revenue Code of 1954. The amendments were proposed to conform the regulations to section 315 of the Revenue Act of 1978 (92 Stat. 2828) and section 103(a)(4) of the Technical Corrections Act of 1979 (94 Stat. 209).

Public comments on the proposed regulations were received. A public hearing was held on March 31, 1981. After consideration of all comments regarding the proposed amendments, these amendments are adopted as revised by this Treasury decision.

Explanation of Provisions

Under section 48(a)(1)(E), that portion of the basis of a qualified rehabilitated building which is attributable to qualified rehabilitation expenditures is treated as section 38 property. Section 48(g) (1) and (2) and the final regulations set forth several requirements for qualified rehabilitated buildings and for qualified rehabilitation expenditures.

One requirement for a qualified rehabilitated building is that a twenty-year period must have elapsed between the beginning of the rehabilitation and the later of: (1) The date the building was first placed in service; or (2) the date of any prior rehabilitation for which a credit was allowed under section 48(a)(1)(E).

Another requirement for a qualified rehabilitated building is that the building be rehabilitated. The regulations require that the rehabilitation of the building be substantial. In general, for the rehabilitation to be "substantial," it must either materially extend the useful life of the building, significantly upgrade its usefulness, or preserve it in a manner that significantly improves its condition or enhances its historic value.

Section 48(g) also distinguishes between expenditures for new construction and for rehabilitation. Any expenditures attributable to an enlargement of an existing building are considered to be expenditures for new construction and, therefore, do not qualify for the credit. The final regulations contain rules defining an enlargement of a building and provide allocation rules for cases where expenditures are attributable to both a rehabilitation and an enlargement.

Another requirement for a qualified rehabilitated building is that at least 75 percent of the existing external walls of the building must be retained in place as external walls in the rehabilitation process.

Section 48(g)(1)(C), prior to its amendment by the Economic Recovery Tax Act of 1981, provided that where there is a separate rehabilitation of a major portion of a building, the major portion may be treated as a separate building for purposes of the definition of a qualified rehabilitated building and the twenty-year requirement. These regulations provide that a major portion must consist of clearly identifiable parts of a building and lists factors that are taken into account in determining whether a part of a building is a major portion.

Rehabilitation activity that is done in phases may be considered a single rehabilitation. The final regulations provide rules for determining whether noncontinuous rehabilitation activity constitutes a single rehabilitation done in phases.

Under the version of section 48(g)(2) in effect prior to the amendments made by the Economic Recovery Tax Act of 1981, and the final regulations, the term "qualified rehabilitation expenditure" means any amount properly chargeable to capital account, incurred after October 31, 1978, for property (or additions or improvements to property) with a useful life of five years or more, made in connection with the rehabilitation of a qualified rehabilitated building. The regulations have been revised to make clear that only expenditures for depreciable property qualify as qualified rehabilitation expenditures. The final regulations contain special rules for treating a transferee of a building as having incurred the qualified rehabilitation expenditures of a transferor if the building is acquired before the property attributable to such expenditures is placed in service. In addition, expenditures for property that is "section 38 property" (determined without regard to section 48(a)(1) (E) and (1)), the cost of acquiring an interest in a building, and the costs for an enlargement of a building are not qualified rehabilitation expenditures. Finally, expenditures to rehabilitate a certified historic structure (as defined in section 191(d)(1) and the regulations thereunder) are not qualified rehabilitation expenditures unless the rehabilitation is a certified rehabilitation (as defined in section § 1.48-11(c)(8)).

Public Comments and Changes in Response to Comments

Enlargements

Several commenters suggested that the regulations should provide some leeway for enlargements that are *de minimus*. However, the statute clearly provides that expenditures for enlargements do not qualify. Also, since only the expenditures attributable to the enlargement of the building are excluded from the definition of qualified rehabilitation expenditure (*i.e.*, the entire rehabilitation is not necessarily disqualified), there is no need for a *de minimus* rule. Therefore, no change was made in the final regulations.

External Wall

A number of commenters requested that the rule defining an "external wall" be clarified. The proposed regulations contained the rule that a common wall was not an external wall. After careful consideration, the regulations are clarified to provide that an abutting wall (*i.e.*, a wall that abuts the wall of a separate building) and a shared wall (*i.e.*, a single wall serving two buildings) are external walls. An alternative rule, however, provides that if a taxpayer is adversely affected by the treatment of party walls in these final regulations, the taxpayer may continue to use the old definition of external wall.

Major Portion Test

In response to comments regarding the major portion provision, the "facts and circumstances" test in the proposed regulations is revised to include as a factor whether the portion rehabilitated constitutes a separate leasehold interest.

Phased Rehabilitations

A rule in the proposed regulations required that a written set of architectural plans and specifications describing the rehabilitation be in existence at the commencement of the project for a rehabilitation done in phases to qualify as a single rehabilitation. The final regulations provide that written plans generally describing all phases of the rehabilitation of the building are sufficient even though such plans are not architectural plans and specifications.

Timing of the Credit

The proposed regulations provided that the credit could be claimed only in the taxable year in which the property is placed in service. In response to comments, the final regulations make it clear that qualified progress expenditure treatment is available under section 46(d) if the requirements of that section are met.

Drafting Information

The principal author of these regulations is John G. Schmalz of the Legislation and Regulations Division of the Office of Chief Counsel, Internal Revenue Service. However, personnel from other offices of the Internal Revenue Service participated in developing these regulations, both on matters of substance and style.

Special Analyses

The Commissioner of Internal Revenue has determined that this final rule is not a major legislative rule as defined in Executive Order 12291. Because the notice of proposed rulemaking for this final rule was published prior to January 1, 1981 (the effective date for the Regulatory Flexibility Act), this final rule is not subject to the provisions of the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*).

List of Subjects in 26 CFR 1.0-1—1.58-8

Income taxes, Tax liability, Tax rates, Credits.

PART 1—[AMENDED]

Adoption of Amendments to the Regulations

Accordingly, 26 CFR Part 1 is amended as follows:

Paragraph 1. The authority for Part 1 continues to read as follows:

Authority 26 U.S.C. 7805 * * *.

Par. 2. Section 1.46-4(d) is amended by adding a new paragraph (d)(5) to read as follows:

§ 1.46-4 Limitations with respect to certain persons.

* * * * *

(d) *Noncorporate lessors.* * * *

(5) The requirements of this paragraph shall not apply with respect to any property which is treated as section 38 property by reason of section 48(a)(1)(E).

Par. 3. Section 1.48-1 is amended by revising the second sentence of paragraph (a), by revising the first sentence of paragraph (e)(1), and by adding a new sentence immediately after such first sentence of paragraph (e)(1), to read as follows:

§ 1.48-1 Definition of section 38 property.

(a) *In general.* * * * Except as otherwise provided in this section, the term "section 38 property" means property (1) with respect to which depreciation (or amortization in lieu of depreciation) is allowable to the taxpayer, (2) which has an estimated useful life of 3 years or more (determined as of the time such property is placed in service), and (3) which is (i) tangible personal property, (ii) other tangible property (not including a building and its structural components) but only if such other property is used as an integral part of manufacturing, production, or extraction, or an an integral part of furnishing transportation, communications, electrical energy, gas, water or sewage disposal services by a person engaged in a trade or business of furnishing any such service, or is a research or storage facility used in connection with any of the foregoing activities, (iii) an elevator or escalator which satisfies the conditions of section 48(a)(1)(C), or (iv) in the case of a qualified rehabilitated building, that portion of the basis which is attributable to qualified rehabilitation expenditures. * * *

* * * * *

(e) *Definition of building and structural components.* (1) Generally, buildings and structural components thereof do not qualify as section 38 property. See, however, section 48(a)(1)(E) and (g), and § 1.48-11 (relating to investment credit for qualified rehabilitated building). * * *

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Par. 4. Section 1.48-2 is amended by adding a new paragraph (d) to read as follows:

§ 1.48-2 New section 38 property.

* * * * *

(d) *Special rule for qualified rehabilitated buildings.* Notwithstanding the rules in paragraphs (a) through (c) of this section, that portion of the basis of a qualified rehabilitated building attributable to qualified rehabilitation expenditures is treated as new section 38 property. See section 48(a)(1)(E) and (g), and § 1.48-11.

Par. 5. There is inserted immediately after § 1.48-10 the following new § 1.48-11:

§ 1.48-11 Qualified rehabilitated building; expenditures incurred before January 1, 1982.

(a) *In general.* Under section 48(a)(1)(E), that portion of the basis of a qualified rehabilitated building which is attributable to qualified rehabilitation expenditures qualifies as section 38 property. In general, property which is treated as section 38 property by reason of section 48(a)(1)(E) is treated as new section 38 property and therefore is not subject to the used property limitation. See § 1.48-2(d). Section 48(g)(1) and paragraph (b) of this section define the term "qualified rehabilitated building". Section 48(g)(2) and paragraph (c) of this section define the term "qualified rehabilitation expenditure". Paragraph (d) of this section provides guidance for coordination of these provisions with other sections of the Code.

(b) *Definition of qualified rehabilitated building*—(1) *In general.* The term "qualified rehabilitated building" means any building and its structural components—

(i) Which has been rehabilitated (within the meaning of paragraph (b)(3) of this section),

(ii) Which was placed in service (within the meaning of § 1.46-3(d)) by any person at any time before the beginning of the rehabilitation,

(iii) 75 percent or more of the existing external walls of which are retained in place as external walls (within the meaning of paragraph (b)(4) of this section) in the rehabilitation process, and

(iv) Which meets the twenty-year requirement in paragraph (b)(2) of this section.

In addition, a major portion of a building may be treated as a separate building for purposes of this paragraph if the requirements of paragraph (b)(5) of this section are met.

(2) *Twenty-year requirement*—(i) *In general.* A building is considered a qualified rehabilitated building only if a period of at least 20 years has elapsed between the date physical work on the rehabilitation of the building began, and the later of—

(A) The date the building was first placed in service (see § 1.46-3(d)) by any person as a building, or

(B) The date the building was placed in service by any taxpayer in connection with a prior rehabilitation with respect to which a credit was allowed by reason of section 48(a)(1)(E).

(ii) *Vacant periods.* The 20-year period includes periods during which a building was vacant or devoted to a personal use and is computed without regard to the number of owners or the identity of owners during the period.

(iii) *Physical work on a rehabilitation.* For purposes of this section, "physical work on a rehabilitation" begins when actual construction begins. The term "physical work on a rehabilitation" does not include preliminary activities such as planning, designing, securing financing, exploring, researching, developing plans and specifications, or stabilizing a building to prevent deterioration (*e.g.*, placing boards over broken windows).

(iv) *Special rule.* If a part of a building meets the twenty-years requirement in subdivision (i) of this subparagraph and a part (for example, an addition) does not, a rehabilitation of that part that meets the requirement may qualify for a credit only if that part constitutes a major portion (as defined in paragraph (b)(5) of this section) of the building.

(3) *Rehabilitation*—(i) *In general.* For purposes of this paragraph, rehabilitation includes renovation, restoration, or reconstruction. However, the term "rehabilitation" does not include enlargement (within the meaning of paragraph (c)(7)(ii) of this section), new construction, or the completion of new construction after a building has been placed in service. For purposes of this paragraph (b)(3), whether expenditures are attributable to the rehabilitation of an existing building, or to new construction, is determined upon all the facts and circumstances.

(ii) *Substantial rehabilitation.* For a building to be considered rehabilitated, the rehabilitation must be substantial. Whether a rehabilitation is substantial is determined upon the basis of all the facts and circumstances. In general, to be substantial, the rehabilitation must do one of the following:

(A) materially extend the useful life of the building;

(B) significantly upgrade its usefulness (for either the same or a new use); or

(C) preserve it in a way that significantly improves its condition or enhances its historic value.

A substantial rehabilitation may vary in degree from gutting and extensive reconstruction of a building's major structural components to the cure of a substantial accumulation of major disrepairs. It may also include renovation, alteration, or remodelling for the conversion of a structurally sound building to a design and condition required for a new use. Cosmetic improvements alone, however, do not qualify as a substantial rehabilitation.

(iii) *Aggregation of rehabilitation.* In the case where qualified rehabilitation expenditures are incurred with respect to a rehabilitation of a building by more than one person (*e.g.*, a lessor and a lessee, several lessees, or several condominium owners), the substantial rehabilitation requirement in this paragraph (b)(3) shall be applied by aggregating all the rehabilitation work done by such persons.

(iv) *Special rule by qualified rehabilitation expenditures treated as incurred by the taxpayer.* In the case where qualified rehabilitation expenditures are treated as having been incurred by a taxpayer because of the application of paragraph (c)(3)(ii) of this section, the substantial rehabilitation test in paragraph (b)(3)(ii) of this section will be applied by aggregating the rehabilitation work done by the transferor and the transferee.

(v) *Examples.* The provisions of this subparagraph (3) may be illustrated by the following examples:

Example (1). Taxpayer A is the owner of a 30-year old building. The building is air conditioned by means of window air conditioning units. A replaces the window units with a central air conditioning system and no other rehabilitation is performed by A. The expenditures incurred by A did not materially extend the building's useful life, significantly upgrade its usefulness, or preserve it in a manner that significantly improves its condition or enhances its historic value. Although expenditures for replacement of window units with a central air conditioning system may constitute qualified expenditures as part of an overall rehabilitation, alone they do not qualify as a substantial rehabilitation and the building is not considered rehabilitated within the meaning of this subparagraph.

Example (2). Taxpayer B is the owner of a 10 story office building that is 35 years old. The building is in substantial disrepair and in order to modernize it as an office building B installs new plumbing, electrical wiring, and heating and air conditioning systems. In addition, the layout of each floor is changed by means of tearing down many existing interior walls and partitions and building new walls, partitions, and doors. Old plaster is removed from many walls and replaced by new wall covering. New windows and new flooring are installed throughout the building. The improvements made by B materially extend the useful life of the building and significantly upgrade its usefulness. The building is considered rehabilitated within the meaning of the facts and circumstances test in this subparagraph.

Example (3). Taxpayer C is the owner of a 100-year old building that has substantial historic character, although the building is not a certified historic structure (as defined in section 191(d)(1) and the regulations thereunder). C uncovers and restores the original woodwork, wall coverings and moldings throughout the building. The windows and doors are replaced with replicas of the original. The improvements made by C significantly preserve the building and significantly enhance its historic value. Thus, the building is considered rehabilitated within the meaning of this subparagraph.

(4) *Retention of 75 percent of external walls*—(i) *In general.* A building meets the requirements set forth in paragraph (b)(1)(iii) only if 75 percent or more of the existing external walls (as measured by the total area of the existing external walls) are retained in place as external walls in the rehabilitation process. For this purpose, the area of existing external walls includes the area of windows and doors.

(ii) *External wall.* For purposes of this paragraph (b)(4), a wall includes both the supporting elements of the wall and the nonsupporting elements (*e.g.*, a curtain) of the wall. Except as otherwise provided in this paragraph (b)(4), the term "external wall" includes any wall that has one face exposed to the weather, earth, or an abutting wall erected on an adjacent property. An external wall also includes a shared wall (*i.e.*, a single wall shared with an adjacent building), generally referred to as a "party wall".

(iii) *Alternative rule.* Notwithstanding the definition of external wall contained in paragraph (b)(4)(ii) of this section, in any case in which the building being rehabilitated would fail to meet the requirements of a qualified rehabilitation building if the definition of external wall in paragraph (b)(4)(ii) of this section were used, then the term "external wall" shall be defined as a wall, including its supporting elements, with one face exposed to the weather or earth, and a common wall shall not be treated as an external wall.

(iv) *Retained in place.* An existing external wall is retained in place if the supporting elements of the wall are retained in place. An existing external wall is not retained in place if the supporting elements of the wall are replaced by new supporting elements. An external wall is retained in place, however, if the supporting elements are reinforced in the rehabilitation, provided that such supporting elements of the external wall are retained in place. An external wall is retained in place even though it is covered (e.g., with new siding). Moreover, the existing curtain may be replaced with a new curtain provided that the structural framework that provides for the support of the existing curtain is retained in place. An external wall is retained in place notwithstanding that the existing doors and windows in the wall are modified, eliminated, or replaced. A wall may be disassembled and reassembled so long as the same supporting elements are used when the wall is reassembled. Thus, for example, in the case of the brick wall, the wall is considered retained in place even though the original bricks are removed (for cleaning, *etc.*) and put back to form the wall.

(v) *Retention as an external wall.* For purposes of meeting the 75 percent requirement of this subparagraph (4), an existing external wall must be retained in place as an external wall. If an addition is made that results in an existing external wall being converted into an internal wall, the wall is not retained in place as an external wall.

(vi) *Special rule.* Solely for the purpose of meeting the 75 percent requirement of this subparagraph (4), the walls of an uncovered internal shaft designed solely to bring light or air into the center of a building which are completely surrounded by external walls of the building and which enclose space not designated for occupancy or other use by people (other than for maintenance or emergency) are not considered external walls. Thus, a wall of a light well in the center of an office building is not an external wall. However, walls surrounding an uncovered courtyard which is usable by the building's occupants, (*e.g.*, at lunch time) are external walls.

(vii) *Examples* The provisions of this subparagraph (4) may be illustrated by the following examples:

Example (1). Taxpayer A rehabilitated a building all of the walls of which consisted of wood siding attached to gypsum board sheets (which covered the studs). A covered the existing wood siding with aluminum siding in a part of a rehabilitation that otherwise qualified under this subparagraph. A satisfied the requirement that 75 percent of the existing external walls must be retained in place as external walls.

Example (2). Taxpayer B rehabilitated a building the external walls of which had a masonry curtain. The masonry on the wall face was replaced with a glass curtain. The steel beam and girders supporting the existing curtain were retained in place. B satisfied the requirement that 75 percent of the existing external walls must be retained in place as external walls.

Example (3). Taxpayer C rehabilitated a building which has two external walls measuring 75' x 20' and two other external walls measuring 100' x 20'. C tore down one of the larger walls, including its supporting elements, which accounted for more than 25% of the building's external walls and constructed a new wall. C has not satisfied the requirement that 75 percent of the existing external walls must be retained in place as external walls.

Example (4). The facts are the same as in example 3, except C does not tear down any walls, but makes an addition that results in one of the smaller walls becoming an internal wall. In addition, C enlarged 8 of the existing windows on the larger walls, increasing them from a size of 3' x 4' to 6' x 8'. Since the smaller wall accounts for less than 25 percent of the total wall area, C has satisfied the requirement that 75 percent of the existing external walls must be retained in place as external walls in the rehabilitation process. The enlargement of the existing windows on the larger wall does not change the result.

(5) *Major portion treated as separate building*—(i) *In general.* Where there is a separate rehabilitation of a major portion of a building, such major portion shall be treated as a separate building. Thus, such major portion may qualify as a qualified rehabilitated building if the requirements of this paragraph are met with respect to such major portion. Expenditures for property that services both a major portion of a building and another portion must be specifically allocated to each portion to the extent possible. If it is not possible to make such an allocation, the expenditures must be allocated to each portion on some reasonable basis. What constitutes a reasonable basis for an allocation depends on factors such as the type of improvement and how the

improvement relates functionally to the building. For example, in the case of expenditures for an airconditioning system or a roof, a reasonable basis for allocating the expenditures would be the volume of the major portion served by the improvement relative to the volume of the other portion of the building served by the improvement.

(ii) *Major portion defined.* Whether a part of a building constitutes a major portion of the building is determined upon the basis of all the facts and circumstances. A major portion must generally consist of clearly identifiable parts of a building (*e.g.*, a wing of a building or the first 5 stories of a 7 story building). The following factors shall be taken into account:

(A) Whether the portion comprises an entire leasehold interest or an entire ownership (*e.g.*, condominium) interest;

(B) Whether the portion (as measured by volume) is sufficiently large that it would be reasonable to treat it as a separate building; and

(C) Whether the portion is functionally different from other parts of the building.

(6) *Special rule for rehabilitation done in phases.* If rehabilitation which is not continuous is determined under this subparagraph to be a single rehabilitation done in phases, the requirements of this paragraph (b) are to be applied with respect to the overall rehabilitation and not merely to a phase of the rehabilitation. In such case, a phase of a single overall rehabilitation will not be considered as "prior rehabilitation" for purposes of subparagraph (2)(i)(B) of this paragraph (b). Whether rehabilitation which is not continuous is a single rehabilitation that is done in phases is determined on the basis of all the facts and circumstances. Generally, however, to constitute a single rehabilitation that is done in phases, there must exist, prior to the time any rehabilitation work is commenced, a set of written plans describing generally all phases of the rehabilitation of the building and a reasonable expectation that all phases of the rehabilitation will be completed. Such written plans are not required to contain detailed working drawings or detailed specifications of the material to be used. In addition, the period between the time that physical work on the first phase of the overall rehabilitation begins and physical work on the last phase of the overall rehabilitation begins must be reasonable. In determining whether the rehabilitation is completed within a reasonable time, the fact that a building is occupied during the rehabilitation, the necessity of acquiring a lease (of additional portions of the building), and unforeseen delays shall be taken into account. Other factors that are relevant in determining whether rehabilitation is a single rehabilitation include the length of time between each phase of rehabilitation activities and the extent of rehabilitation activity in each phase.

(7) *Special rule for adjoining buildings that are combined.* For purposes of this paragraph (b), if as part of a rehabilitation process two or more adjoining buildings are combined and placed in service as a single building after the rehabilitation process, then all of the requirements of a qualified rehabilitated building in section 48(g)(1) and this section may be applied to the constituent adjoining buildings in the aggregate. Any party walls or abutting walls between the constitutent buildings that would otherwise be treated as external walls (within the meaning of paragraph (b)(4)(ii) of this section) would not be treated as external walls of the building; the substantial rehabilitation test in paragraph (b)(3)(ii) of this section would be applied to the aggregate rehabilitation work with respect to all of the constitutent buildings.

(c) *Definition of qualified rehabilitation expenditures*—(1) *In general.* Except as provided in subparagraph (2) of this paragraph, the term "qualified rehabilitation expenditure" means any amount—

(i) Properly chargeable to capital account (as described in subparagraph (2) of this paragraph),

(ii) Incurred after October 31, 1978, for depreciable or amortizable property (or additions or improvements to property) with a useful life of five years or more, and

(iii) Made in connection with the rehabilitation of a qualified rehabilitated building.

(2) *Chargeable to capital account.* For purposes of paragraph (c)(1)(i) of this section, amounts paid or incurred are chargeable to capital account if under the taxpayer's method of accounting they are property includible in computing basis under § 1.46–3. Amounts treated as an expense and deducted in the year they are paid or incurred are not chargeable to capital account.

(3) *Incurred by the taxpayer*—(i) *In general.* Generally, to qualify for a credit under section 48 (a)(1)(E), qualified rehabilitation expenditures must be incurred by the taxpayer after October 31, 1978. An expenditure is incurred for purposes of this paragraph on the date such expenditure would be considered incurred under the accrual method of accounting, regardless of the method of accounting used by the taxpayer with respect to other items of income and expense. If qualified rehabilitation expenditures are treated as having been incurred by a taxpayer under paragraph (c)(3)(ii)) of this section, the taxpayer shall be treated as having incurred the expenditures on the date such expenditures were incurred by the transferor.

(ii) *Qualified rehabilitation expenditures treated as incurred by the taxpayer.* (A) Where rehabilitation expenditures are incurred with respect to a building by a person (or persons) other than the taxpayer and the taxpayer acquires the building, or a portion of the building to which the expenditures are allocable, the taxpayer acquiring such property will be treated as having incurred the rehabilitation expenditures actually incurred by the transferor (or treated as incurred by the transferor under this paragraph (c)(3)(ii)) with respect to the acquired property, provided that—

(*1*) The building, or the portion of the building, acquired by the taxpayer was not used after the rehabilitation expenditures were incurred and prior to the date of acquisition by the taxpayer, and

(*2*) No credit with respect to such qualified rehabilitation expenditures is claimed by anyone other than the taxpayer acquiring the property.

For purposes of this paragraph (c)(3)(ii), use shall mean actual use, whether personal or business.

(B) The amount of qualified rehabilitation expenditures treated as incurred by the taxpayer under this paragraph is the lesser of—

(*1*) The qualified rehabilitation expenditures incurred before the date on which the taxpayer acquired the building (or portion thereof), to which the expenditures are attributable, or

(*2*) That portion of the taxpayer's cost or other basis for the property which is attributable to the qualified rehabilitation expenditures described in paragraph (c)(3)(B)(*1*) of this section incurred before such date.

For purposes of paragraph (c)(6)(ii) of this section, the amount of rehabilitation expenditures treated as incurred by the taxpayer under this paragraph (c)(3)(ii) shall not be considered to be part of the cost of acquiring a building or any interest in the building. The portion of the cost of acquiring a building (or an interest therein) which is not treated under this paragraph as qualified rehabilitation expenditures incurred by the taxpayer is not eligible for a rehabilitation investment credit. See paragraph (c)(6)(ii) of this section.

(C) See paragraph (b)(2)(iv) of this section for rules concerning the application of the substantial rehabilitation test to expenditures treated as incurred by the taxpayer.

(iii) *Examples.* The provisions of this subparagraph may be illustrated by the following examples:

Example (1). In 1978, taxpayer A, a cash basis taxpayer, commenced the rehabilitation of a 30-year old building. In June 1978, A signed contract with a plumbing contractor for replacement of the plumbing in the building. A agreed to pay the contractor as soon as the work was completed. The work was completed in September 1978, but A did not pay the amount due until November 1, 1978. The expenditures for the plumbing are not qualified rehabilitation expenditures because they were not incurred after October 31, 1978.

Example (2). B incurred qualified rehabilitation expenditures of $300,000 with respect to an existing building between January 1, 1980, and May 15, 1980, and then sold the building to C on June 1, 1980. If the property attributable to the expenditures was not placed in service by A during the period from January 1, 1980, to June 1, 1980, C will be treated as having incurred the expenditures.

(4) *Incurred for 5-year property.* An expenditure is incurred for depreciable or amortizable property if the amount of the expenditure is added to the basis of property which is depreciable or amortizable under section 167. The determination of whether property has a useful life of five years or more is made by applying the principles of § 1.46-3(*e*). In the case of expenditures for property made by a lessee, see sections 167 and 178 and the regulations thereunder for rules relating to whether improvements made to leased property are depreciable or amortizable.

(5) *Made in connection with the rehabilitation of a qualified rehabilitated building.* Expenditures attributable to work done to facilities related to a building (*e.g.*, sidewalk, parking lot, landscaping) are not considered made in connection with a rehabilitation of a qualified rehabilitated building.

(6) *Certain expenditures excluded from qualified rehabilitation expenditures.* The term "qualified rehabilitation expenditures" does not include the following expenditures:

(i) An expenditure for property which is "section 38 property" (determined without regard to section 48(a)(1) (E) and (l)).

(ii) The cost of acquiring a building or any interest in a building (including a leasehold interest) except as provided in paragraph (c)(3)(ii) of this section.

(iii) An expenditure attributable to enlargement of a building (as defined in paragraph (c)(7) of this section).

(iv) An expenditure attributable to rehabilitation of a certified historic structure (as defined in section 191(d)(1) and the regulations thereunder), unless the rehabilitation is a certified rehabilitation (as defined in paragraph (c)(8) of this section).

(7) *Expenditures for enlargement distinguished*—(i) *In general.* Expenditures attributable to an enlargement of an existing building do not qualify as qualified rehabilitated expenditures. A building is enlarged to the extent that the total volume of the building is increased. An increase in floor space resulting from interior remodeling is not considred an enlargement. Generally, the total volume of a building is equal to the product of the floor area of the base of the building and the height from the underside of the lowest floor (including the basement) to the average height of the finished roof (as it exists or existed). For this purpose, floor area is measured from the exterior faces of external walls (other than shared walls that are external walls) and from the centerline of shared walls that are external walls. In addition, a building is enlarged to the extent of any construction outside the exterior faces of the existing external wall of the building.

(ii) *Rehabilitation which includes enlargement.* If expenditures for property only partially qualify as qualified rehabilitation expenditures because some of the expenditures are also attributable to the enlargement of the building, the expenditures must be apportioned between the original portion of the building and the enlargement. This allocation should be made using the principles contained in paragraph (b)(5)(i) of this section.

(8) *Certified rehabilitation*—(i) *In general.* For the purpose of this paragraph (c) of this section, the term "certified rehabilitation" means any rehabilitation of a certified historic building in a registered historic district which the Secretary of the Interior has certified to the Secretary as being consistent with the historic character of such building or the district in which such building is located.

(ii) *Revoked or invalidated certifications.* If the Department of Interior revokes or otherwise invalidates a certification after it has been provided to a taxpayer, the decertified property will cease to be section 38 property described in section 48(a)(1)(e). Such cessation shall be effective as of the date the activity giving rise to the revocation or invalidation occurred. See section 47 for the rules applicable to property that ceases to be section 38 property.

(d) *Coordination with other provisions of the Code*—(1) *Credit by lessees*—(i) *Rehabilitation performed by lessor.* A lessee may take the credit for rehabilitation performed by the lessor if the requirements of this section and section 48(d) are satisfied. For purposes of applying section 48(d), the fair market value of section 38 property described in section 48(a)(1)(E) shall be equal to that portion of the lessor's basis in a qualified rehabilitated building that is attributable to qualified rehabilitation expenditures.

(ii) *Rehabilitation performed by lessee.* A lessee may take the credit for rehabilitation performed by the lessee, provided that the property (or improvements or additions to property) for which the rehabilitation expenditures are made is depreciable (or amortizable) by the lessee (see sections 167 and 178, and the regulations thereunder) and the requirements of this section are satisfied.

(2) *When credit may be claimed.* The investment credit for qualified rehabilitation expenditures is allowed generally in the taxable year in which the property to which the rehabilitation expenditures is attributable is placed in service, provided the building is a qualified rehabilitated building for the taxable year. See § 1.48-3(d). Under certain circumstances, however, the credit may be available prior to the date the property is placed in service. See section 46(d) and § 1.46-5 (relating to qualified progress expenditures).

(3) *Recapture.* If property described in section 48(a)(1)(E) is disposed of by the taxpayer, or otherwise ceases to be "section 38 property," recapture may result under section 47. Property will cease to be section 38 property, and therefore recapture may occur under section 47, in any case where the Department of Interior revokes or otherwise invalidates a certification of rehabilitation (see section 48(g)(2)(C)) after the property is placed in service because, for example, the taxpayer made modifications to the building inconsistent with Department of Interior standards.

(e) *Effective date*—(1) *General rule.* Except as provided in paragraph (e)(2) of this section, this § 1.48-11 shall not apply to expenditures incurred after December 31, 1981.

(2) *Transitional rule.* This § 1.48-11 shall continue to apply to expenditures incurred after December 31, 1981, for the rehabilitation of a building if—

(i) The physical work on the rehabilitation began before January 1, 1982, and

(ii) The building does not meet the requirements of section 48(g)(1) of the Code as amended by the Economic Recovery Tax Act of 1981.

Roscoe L. Egger, Jr.,
Commissioner of Internal Revenue.

Approved: June 18, 1985.

Ronald A. Pearlman,
Assistant Secretary of the Treasury.

[FR Doc. 85-15644 Filed 6-27-85; 8:45 am]

BILLING CODE 4830-01-M

Bureau of Alcohol, Tobacco and Firearms

27 CFR Part 178

[T.D. ATF-208; Ref: Notice No. 502]

Retention of Firearms Transaction Records

AGENCY: Bureau of Alcohol, Tobacco and Firearms (ATF), Treasury.

ACTION: Final rule, Treasury decision.

SUMMARY: Licensees are now required to keep records pertaining to firearms transactions indefinitely. These new regulations will liberalize that requirement, and provide that licensed dealers and licensed collectors will not be required to retain records for longer than 20 years and licensed manufacturers and licensed importers will not be required to retain disposition records for longer than 20 years.

EFFECTIVE DATE: July 29, 1985.

FOR FURTHER INFORMATION CONTACT: J. Barry Fields, Firearms and Explosives Operations Branch, Bureau of Alcohol, Tobacco and Firearms, 1200 Pennsylvania Avenue, NW., Washington, DC 20226 (202-566-7591).

SUPPLEMENTARY INFORMATION:

Background

Since enactment of the Gun Control Act of 1968, the regulations have required that records of firearms transactions be permanently maintained by all licensees. Where a firearms business is discontinued and not succeeded by a new licensee, the permanent records must be delivered to ATF, unless State law or local ordinance requires otherwise. The record retention requirement has been based on two principal foundations. The maintenance of records on a permanent basis enables the Government to establish the movement of firearms in interstate or foreign commerce which is frequently critical in the prosecution of criminal cases, and allows the Government to trace the ownership of firearms used in criminal activity, a function particularly important in support of State and local law enforcement.

Notice of Proposed Rulemaking

The Bureau published a notice of proposed rulemaking on February 14, 1984 (49 FR 5628), proposing to amend the regulations by changing the length of time that records of firearms transactions will be required to be retained by licensees. All licensees are now required to maintain records of firearms transactions on a permanent basis.

ATF proposed that the requirement for the retention of permanent records for licensed dealers and licensed collectors be changed to a retention period of not more than 20 years beginning on December 16, 1968, the effective date of the Gun Control Act of 1968. Licensed manufacturers and licensed importers may dispose of their disposition records after retaining such records for 20 years beginning December 16, 1968. However, manufacturers and importers would be required to retain, on a permanent basis, their records of manufacture, importation and other acquisition of firearms.

Records of firearms transactions that occurred prior to December 16, 1968, with the exception of records of manufacture, importation or other acquisitions by manufacturers and importers, will no longer be required to be retained as a result of this change in the regulations.

Approximately 225,000 Federal firearms licensees have been faced with ever-increasing storage costs in order to maintain on a permanent basis the large volume of these records. In addition, ATF is experiencing increasing costs of storing and maintaining voluminous records of out-of-business licensees.

A study conducted by ATF established that relatively few requests for traces of guns involved transactions older than 20 years.

Accordingly, a 20 year record retention period would not have a significant impact on ATF's capability to trace crime-related firearms.

Because of the diminished frequency in utilizing records over 20 years of age in tracing firearms used in crimes, the requirement to maintain permanent records of all firearms transactions is not justifiable based on the cost and administrative burden to both the firearms industry and the Government.

Requiring licensed manufacturers and licensed importers to permanently maintain the records of the manufacture, importation, or other acquisition of firearms will enable the Government to continue to be able to prove the requisite interstate or foreign commerce element in the prosecution of felons and other prohibited categories of persons charged with unlawful shipment, transportation, receipt or possession of firearms. In addition, these records are very useful in determining the proper classification of firearms under Federal law, particularly in the areas of antiques and curios and relics.

Comments

During the 60 day comment period, 20 written comments were received. Three comments were received from associations and 17 were from individuals. Seven individuals stated a preference for a retention period of 10 years. Three of those persons stated no reason for their selection. One individual stated that he believed that a 10 year period would allay fears that the recordkeeping will be used as a data base for future firearms registration. One person believes that a trace of a firearm sold over 10 years ago is too "cold" to be effective. Two individuals stated that if a retention period of 20 years would save time and money, then, they reason, 10 years would save more.

An organization representing a large membership concurred in the change in the retention period, and also suggested a change in methods of retention. They suggested, in essence, that manufacturers and importers be designated repositories for handgun records that have been manufactured or imported by them. Transaction forms would be periodically sent to them by dealers for retention. This suggestion goes far beyond the proposed changes in the regulations and would create an excessive paperwork burden, particularly on importers and manufacturers.

Even though they did not comment on a particular time period, the International Association of Chiefs of Police, on behalf of its 14,000 members, responded to the notice with a copy of a resolution unanimously adopted at their annual conference supporting ATF's tracing capability. They recognize that the ability to trace firearms has been, and continues to be, an important element in the solution of crimes and the successful prosecution of criminals.

By changing the retention period from an indefinite to a definite period, ATF estimates that 7½ to 9 million forms may be disposed of each year beginning after 1988. On or after December 16, 1988, these forms can be discarded if they reflect transactions more than 20 years old.

Statistical analysis of a recent year enables us to discern the impact upon our tracing capabilities of a decrease in the record retention period. Taking calendar year 1982 as our base, the following facts are presented.

ATF was asked by State, Federal and local entities to trace 32,206 firearms. Of these requests, 27,643 firearms were sold to the ultimate consumer within 20 years prior to 1982. If the 20 year retention period had been in effect in 1982, 4,563 firearms could not have been traced because they would have been outside of the retention period. This represents a loss of approximately 14%. Conversely, with a 20 year retention period 86% of the traces could be made.

With a retention period of five years; we would lose the ability to trace 59.1% of the firearms; with a period of 10 years, we would lose 35.3%; and with a period of 15 years, we would lose the ability to trace 20.3% of the requested traces.

Ninety-two percent of all the successful traces conducted in 1982 were of firearms sold in the years since enactment of the Gun Control Act of 1968. Eight percent of the successful traces would have been lost had the 20 year retention been in existence in 1982. Because we have no reason to believe that the statistics shown in 1982 are atypical, we can safely assume that future yearly statistics will follow the same general pattern.

By adopting a 20 year retention period we estimate that as many as 9 million Firearms Transaction Records (Forms 4473) can be destroyed by licensees. We will lose the ability to trace approximately 14% of the traces requested. ATF is of the opinion that this loss can be justified by the reduction in cost of the paperwork burden.

Regulation Change

This Treasury Decision changes the regulations to allow all licensed dealers and collectors to dispose of all records for transactions prior to December 16, 1968. Licensed manufacturers and importers may dispose of all disposition records prior to December 16, 1968. Licensed dealers and collectors may dispose of all records older than 20 years beginning on or after December 16, 1988. Licensed manufacturers and importers may dispose of all dispositions records older than 20 years beginning on or after December 16, 1988.

Drafting Information

The principal author of this document is J. Barry Fields, Firearms and Explosives Operations Branch, Bureau of Alcohol, Tobacco and Firearms.

Executive Order 12291

It has been determined that this final rule is not a "major rule" within the meaning of Executive Order 12291 of February 17, 1981, because it will not have an annual effect on the economy of $100 million or more; it will not result in a major increase in costs or prices for consumers, individual industries, Federal, State or local government agencies, or geographical regions; and it will not have significant adverse effects on competition, employment, investment, productivity, innovation, or on the ability of United States-based enterprises to compete with foreign-based enterprises in domestic or export markets.

Regulatory Flexibility Act

The provisions of the Regulatory Flexibility Act relating to an initial and final regulatory flexibility analysis (5 U.S.C. 603, 604) are not applicable to this final rule, because it will not have a significant economic impact on a substantial number of small entities. The rule will not impose, or otherwise cause, a significant increase in the reporting, recordkeeping, or other compliance burdens on a substantial number of small entities.

Accordingly, it is hereby certified under the provisions of section 3 of the Regulatory Flexibility Act (5 U.S.C. 605(b)) that this final rule will not have a significant economic impact nor compliance burden on a substantial number of small entities.

Paperwork Reduction Act

The collection of information requirements contained in this proposal has been approved by the Office of Management and Budget pursuant to the Paperwork Reduction Act (OMB control number 1512—0129).

List of Subjects in 27 CFR Part 178

Administrative practice and procedure, Arms and munitions, Authority delegations, Customs delegations, Customs duties and inspection, Exports, Imports, Military personnel, Penalties, Reporting requirements, Research, Seizures and Forfeitures, Transportation.

Authority

Accordingly, under the authority in 18 U.S.C. 926 (82 Stat. 1226), 27 CFR Part 178 is amended as follows:

PART 178—COMMERCE IN FIREARMS AND AMMUNITION

Paragraph 1. The authority citation for Part 178 continues to read in part:

Authority: 18 U.S.C. 921–928; 44 U.S.C. 3504(h) * * *.

Par. 2. The table of sections in 27 CFR Part 178 is amended by adding an entry for § 178.128 to read as follows:

Subpart H—Records

Sec.

* * * * *

178.128 Record retention.

* * * * *

Par. 3. Section 178.121 is amended to change the retention period for records in paragraph (a) and to revise the Office of Management and Budget control number. As revised, § 178.121(a) and the OMB control number at the end of the section read as follows:

§ 178.121 General

(a) The records pertaining to firearms transactions prescribed by this part shall be retained on the licensed premises in the manner prescribed by this subpart and for the length of the time prescribed by § 178.128. The records pertaining to ammunition prescribed by this part shall be retained on the licensed premises in the manner prescribed by § 178.125.

* * * * *

(Information collection requirements in paragraph (a) approved by the Office of Management and Budget under control number 1512—0129; information collection requirements in paragraphs (b) and (c) approved by the Office of Management and Budget under control number 1512—0387)

Par. 4. Section 178.124(b) is revised to change the retention period for firearms transaction records to read as follows:

§ 178.124 Firearms transaction record.

* * * * *

(b) Licensees shall retain in alphabetical (by name of purchaser), chronological (by date of disposition), or numerical (by transaction serial number) order, and as a part of the required records, each Form 4473 obtained in the course of transferring custody of the firearms.

* * * * *

Par. 5. Section 178.125 is amended to change the retention period for firearms receipt and disposition records and to revise the Office of Management and Budget control number. As revised, the first sentence of § 178.125(e) and the OMB control number at the end of the section read as follows:

§ 178.125 Record of Receipt and Disposition

* * * * *

(e) *Firearms receipt and disposition.* Each licensed dealer and each licensed collector shall enter into a record each receipt and disposition of firearms or firearms curios or relics. * * *

* * * * *

(Information collection requirements in paragraph (e) approved by the Office of Management and Budget under control number 1512–0129; all other record keeping approved by the Office of Management and Budget under control number 1512–0387.)

Par. 6. Subpart H is amended by adding a new § 178.128 to read as follows:

§ 178.128 Record retention.

(a) *Records prior to Act.* Licensed importers and licensed manufacturers may dispose of records of sale or other disposition of firearms prior to December 16, 1968. Licensed dealers and licensed collectors may dispose of all records of firearms transactions that occurred prior to December 16, 1968.

(b) *Firearms transaction record.* Licensees shall retain each Form 4473 for a period of not less than 20 years after the date of the transaction.

(c) *Records of importation and manufacture.* Licensed importers and licensed manufacturers shall maintain permanent records of the importation, manufacture or other acquisition of firearms. Licensed importers' records and licensed manufacturers' records of the sale or other disposition of firearms after December 15, 1968, shall be retained through December 15, 1988, after which records of transactions over 20 years of age may be discarded.

(d) *Records of dealers and collectors under the Act.* The records prepared by licensed dealers and licensed collectors under the Act of the sale or other disposition of firearms and the corresponding record of receipt of such firearms shall be retained through December 15, 1988, after which records of transactions over 20 years of age may be discarded.

(Approved by the Office of Management and Budget under control number 1512—0129)

Signed: January 17, 1985.

Stephen E. Higgins,

Director.

Approved: February 15, 1985.

John M. Walker, Jr.,

Assistant Secretary (Enforcement and Operations).

[FR Doc. 85–15529 Filed 6–27–85; 8:45 am]

BILLING CODE 4810–31–M

DEPARTMENT OF LABOR

Employment and Training Administration

29 CFR Parts 93, 94, 95, 96, 97, 97a, 97b, 98, and 99

Programs Under the Comprehensive Employment and Training Act of 1973

AGENCY: Employment and Training Administration, Labor.

ACTION: Final rule; removal of regulations.

SUMMARY: The Department of Labor is issuing a final rule to remove the regulations found at 29 CFR Parts 93, 94, 95, 96, 97, 97a, 97b, 98, and 99, which were promulgated under the repealed Comprehensive Employment and Training Act (CETA).

The CETA regulations in Title 29, CFR, are primarily of historical value and do not affect the current operation of any program. Therefore, the Department of Labor has decided that it is no longer necessary to continue publication of the CETA regulations in future editions of Title 29, and the regulations are being removed from the CFR.

EFFECTIVE DATE: June 28, 1985.

FOR FURTHER INFORMATION CONTACT: Mr. Roberts T. Jones. Telephone (202) 376–6604.

SUPPLEMENTARY INFORMATION: On October 13, 1982, the President signed into law the Job Training Partnership Act, Pub. L. 97–300 (JTPA). JTPA, among other things, repealed the Comprehensive Employment and Training Act (CETA). JTPA section 184(a)(1).

The CETA regulations in 29 CFR Parts 93 *et seq.* governed programs funded under the Comprehensive Employment and Training Act of 1973, as amended. Pub. L. 93–203; Pub. L. 93–567. In 1978, CETA was amended extensively and reauthorized. Pub. L. 95–224. As a result, the CETA regulations at 29 CFR Parts 93 *et seq.* were superseded in many particulars by the regulations implementing the 1978 CETA reauthorization. *See* 20 CFR Parts 675 *et seq.*

The CETA regulations in Title 29, CFR, are primarily of historical value and do not affect the current operation of any program. Therefore, the Department of Labor has decided that it is no longer necessary to continue publication of the CETA regulations in future editions of Title 29, and the regulations are being removed from the CFR.

This rulemaking does not affect the CETA regulations in Title 20, CFR. Those regulations are of use to the Government's and the CETA grantees' attorneys and representatives in closing out, settling, and litigating CETA grants.

Regulatory Impact

This document reflects the removal of regulations for which there is no current statutory authority. Therefore, this document is not a rule or regulation as defined in Executive Order No. 12291. In addition, this document was not preceded by a general notice of proposed rulemaking, and is not a rule as defined in the Regulatory Flexibility Act. 5 U.S.C. 601(2) and 604(a).

Catalog of Federal Domestic Assistance Number

This program was listed in the *Catalog of Federal Domestic Assistance* at 17.211, 17.218, 17.219, 17.228, 17.230, 17.232, 17.233, and 17.234.

List of Subjects in 29 CFR Parts 93, 94, 95, 96, 97, 97a, 97b, 98 and 99

Manpower training.

Promulgation of Final Rule

Accordingly, Title 29, Code of Federal Regulations, is hereby amended by removing Parts 93, 94, 95, 96, 97, 97a, 97b, 98, and 99.

Authority: Sec. 2, Pub. L. 95–524, 92 Stat. 1909 (29 U.S.C. 801 note); sec. 184 (a)(1), Pub. L. 97–300, 96 Stat. 1322, 1357.

Signed at Washington, D.C. this 25th day of June 1985.

William E. Brock,

Secretary of Labor.

[FR Doc. 85–15653 Filed 6–27–85; 8:45 am]

BILLING CODE 4510–30–M

Office of Labor-Management Standards

Office of Pension and Welfare Benefit Programs

29 CFR Parts 460, 461, 462, 464, 465, 485, 486, 2550, and 2580

Reorganization of Rules Relating to the Bonding of Employee Benefit Plan Officials; Removal of Obsolete Plan Reporting Regulations From the Code of Federal Regulations

AGENCIES: Office of Labor-Management Standards and Office of Pension and Welfare Benefit Programs, Labor.

ACTION: Final rule.

SUMMARY: This document contains a final rule which redesignates certain regulations relating to the bonding of